

The effects of the Spanish Housing System on the Settlement Patterns of Immigrants

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ABSTRACT

Globalisation and its consequent economic restructuring have implications at the local level. At the same time historical paths and traditions, embeddedness of local actors and institutional factors have all become significant in explaining different neighbourhood trajectories and, particularly, the patterns of urban segregation that emerge following economic restructuring. Given the unusual nature of the Spanish housing model and the massive arrival of immigrants since the end of the 1990s, this paper explores the urban effects of immigration settlement patterns in the context of a market dominated by owner-occupation and a unique framework of social housing policy. Purchase of permanent residences is an essential step in the housing careers of the Spanish population but also for immigrants to Spain. The paper analyses the extent to which this influences urban segregation patterns and neighbourhood characteristics in Spain. Barcelona is referred to as a case study, to illustrate the influence of the existing housing system in the process of the accommodation of newcomers.

Key words: Housing system, immigration, urban segregation, tenure unbalance, Spain, neighbourhood

INTRODUCTION

As the increase of globalisation simultaneously involves a greater demand for local strategies to cope with globalisation, different actors' motivations, households' life trajectories, policy failures and successes become a determinant in explaining asymmetries as well as common reactions to global issues. Cities and neighbourhoods evolve around the manifold targets and paths defined by those living in them, namely, their local actors (Marcuse & Van Kempen 2000). The interrelationships between actors adopt many forms and take place at different levels in order to respond to neighbourhood problems.

It is generally accepted that the latest transformation of cities involves a more polarised society and increasing forms of inequality (Wilson 1987; Sassen 1991). However, an important element of debate in academic literature (see e.g. Musterd & Ostendorf 1998; Burgers & Musterd 2002; Marcuse & Van Kempen 2002; Musterd 2003) reflects that many theories and models neglect the role of national institutional factors and embeddedness on the effect of globalisation on cities and neighbourhoods.

Attitudes and responses to global economic requirements in Spanish cities and neighbourhoods are nowadays similar to other European countries. However, opportunities, changes

and progress in adapting to new economic exigencies are shaped by significantly different local drivers, most of them directly inherited from the political and economic past. European urban dynamics have particular connotations in Southern countries, particularly, in Spain. A limited welfare estate, an unbalanced tenure regime and a historical lack of social housing are, among others, national characteristics which contribute to specific patterns of neighbourhood trajectories and spatial consequences, which are barely comparable to existing Western European models.

Since the 1990s, a massive flow of immigration occurred in Spain mainly looking for better labour opportunities allowing them to improve their economic and social conditions. According to official data, at the end of 2007, almost 4.5 million people legally classified as foreigners lived in Spain. This represented almost 10 per cent of the population. In 2001 and 1991, the comparable percentage figure was 3.8 and 1.2 respectively. In this paper this group is referred to as immigrants. They are concentrated in large cities including Madrid and Barcelona and their metropolitan surroundings. Based on the available statistical data and on previous research on Spanish cities and neighbourhoods (Magrinyà & Maza 2001; Bayona 2006; Equip Earha 2007; Musterd & Fullaondo 2008), it seems that settlement patterns of immigrants within the city are different in Spain from those evidenced in other European countries, because they generally show a greater dispersion over the city.

This paper aims to explain the key role played by the Spanish housing system in the settlement patterns of immigrants. Barcelona has been selected as a specific case study in order to test to what extent the local consequences of the dynamics created by immigration, depend on the specific characteristics of the housing market. First, the paper briefly discusses the theoretical framework for considering the determinants of spatial segregation. Second, a broad view of the housing system and specific connotations of Spanish urban dynamics is provided. The third section deals with the available statistical information on the Spanish housing system and its relation with settlement patterns of immigration in Spain

and, particularly, in Barcelona. Finally, some elements for discussion are suggested.

THEORETICAL BACKGROUND: HOUSING SYSTEMS AND SEGREGATION

The origins, developments and trajectories of neighbourhoods differ according to particular local contexts. Neighbourhoods follow their own historical path, and the relative weight and role played by the public sector varies according to each country. However, many neighbourhood problems and developments coincide all over the world reflected in the similarity of the solutions adopted by different policies of intervention. Several models of neighbourhood trajectories have been developed in literature adjusted to diverse environments (see e.g. Prak & Priemus 1986; Grigsby *et al.* 1987; Temkin & Rohe 1996; Skifter Andersen 2003). In the majority of cases, neighbourhood trajectories are seen to reflect the local effectiveness of national policies and reaction to global forces.

As the process of globalisation has increased income inequalities, the state is seen as having a diminishing capacity to counteract unequal income distribution. Spatial segregation arises as a result of this rather than directly as a result of globalisation. In this sense the changing role of the state during recent decades is part of the explanation for increased polarisation (Marcuse 1996). The extent to which welfare provision has or might have counteracted the trend initiated by globalisation and internationalisation of a liberal economy becomes of key importance. Inevitably actions to reform, substitute or complement the classical conception of the welfare state have been a focus for attention and are highly dependent on the starting point of each country.

Within welfare regimes, housing systems deserve particular attention as housing policies include a considerable weight of public intervention. Housing systems, understood as the combination of decisions in terms of households' consumption and investment of housing, developers' decisions, supply and demand adjustment and also changes in exogenous variables such as public intervention (Fallis 1985), are directly influenced by the existing welfare state and its trajectory. At

present and in spite of many common trends related to population characteristics or construction typologies, Europe faces a dissimilar landscape concerning housing systems. The reasons for the current divergences are found, among others, in historical processes and traditions in housing market intervention. These differences have shaped the pattern of intervention which is available to meet the current challenges faced by European countries. In particular, many features have been developed during the past decades in Europe to provide so-called social housing for the more marginalised sections of communities. Evidence provided by the translation of this concept to the specific contexts of countries representative of different housing and welfare traditions indicates that housing policies have addressed diverse targets and used different mechanisms to solve population housing problems. After the Second World War and until the 1970s, housing policies in Europe were designed to alleviate the huge housing deficit in the market. The majority of countries opted for direct public provision with different approaches in terms of agency, quality and location. Southern Europe at this stage demonstrated a different trajectory and even a different conceptualisation of public provision of housing.

According to Marcuse and Van Kempen (2000), there are a particular set of locations, the so-called 'soft locations' where the process of globalisation and its accompanying economic changes and social impacts (in particular, polarisation) are most evident: among these locations are concentrations of social housing. These authors subscribe to the hypothesis that the allocation of social housing and land use policies have dramatic effects on spatial structure and can be used to reduce the divisions created by globalisation. However, a particular strategy of development of social housing might be the origin of future processes of spatial segregation.

If we accept that social housing might induce the territorial concentration of population according to their socio-economic or social position, it follows that while the development of large social housing estates might solve the problems associated with housing as shelter, these areas could also bring about more

isolation and socio-economic segregation. In this case, as Musterd & Ostendorf (1998) affirm, spatial policy and housing policy (i.e. social housing) offer limited instruments to prevent population segregation.

In Spain, four decades of dictatorship were followed by a relatively sudden accession to membership of the European Union in 1986, creating new political and economic struggles to dominate the tensions emerging in Spanish society. In addition, economic globalisation and the growth of the service sector during the 1980s also settled an implicitly agreed path of evolution that the country and its cities were to follow. As in the rest of Europe, Spanish cities and neighbourhoods have to cope with the dual effects of globalisation and economic restructuring. However, the process of urban development in Spain has directly shaped the distinctive approach of the country in counter-acting spatial polarisation.

The case of Spain is distinctive in terms of welfare state and housing systems: It belongs to the countries under the so-called 'rudimentary welfare state' (Barlow & Duncan, 1994) and its housing policies have over time followed a dissimilar trajectory to the rest of Europe. The unique characteristics of the subsequent existing housing system have framed a different scenario where globalisation and neighbourhood reaction takes place. In particular, social housing embraces a different conceptualisation of welfare and housing policies (Rodríguez 1990; Pareja-Eastaway & San Martín 1999, 2002; Trilla 2001) than in other European countries. As Pareja-Eastaway *et al.* (2003) show for large housing estates in Spain, owner-occupation is, even in areas of social housing, the dominant form of tenure.

THE UNIQUENESS OF THE HOUSING SYSTEM IN SPAIN

The idiosyncratic evolution of Spanish political and economic spheres has led to a peculiar trajectory of urban and housing developments (Pareja-Eastaway *et al.* 2007). The current process of economic change and globalisation makes it more likely that new forms of urban inequalities will emerge. However, when compared with European standards, despite an increasing trend towards income inequality in

Spanish households, this feature has a limited translation into spatial polarisation (Bayona 2006; Arbaci 2007; Goñi 2007). A brief account of urban development in Spain is needed to understand current channels of adaptation to economic trends and requirements.

The Spanish housing system and, particularly, Spanish housing policies have strongly influenced these urban development processes in the past. There are at least two aspects of Spanish housing policy; on the one hand, the provision of financial support, basically to the demand side and, on the other, the reactivation of the building sector as a way to expand the whole economy (Pareja-Eastaway & Riera 1994). Depending on the objective to be achieved, the government has used different instruments, which range from fiscal aid to direct aid. Three aspects are highlighted in this paper to explain this situation.

Decrease in social housing production since the 1960s – During the 1940s, the huge housing deficit in Spain was solved through direct provision: the National Institute for Housing (*Instituto Nacional de la Vivienda*) was created and tried to ameliorate the situation through publicly supported new developments. The first reference to social housing in Spain was in 1939 as a reference to ‘regulated housing’ (RH; *Vivienda de Protección Oficial*). A dwelling was categorised as ‘regulated housing’ when it fulfilled certain requirements.¹ Among them, there was no requisite on the location of the housing development. As a result, RH was distributed all over the country with some concentrations in peripheral neighbourhoods of large cities such as Madrid and Barcelona.

From 1954 onwards, private sector initiative was a key feature of housing production. The general improvement in macroeconomic indicators was reflected in a growing liberalisation of housing policy, mainly oriented towards stimulating new construction through: (a) financial access; (b) grants for developers; and (c) fiscal exemptions (Díaz & Parreño 2006). State support existed, but money went to the private sector under the ‘regulated housing’ policy rather than to a public company or a non-profit organisation. So what might be regarded as ‘social housing’ in Spain was infrequently managed through social landlords.

Before the 1980s, public expenditure in housing was mainly oriented towards ‘bricks and mortar’, mainly providing supply side subsidies because of its impact on the whole economy and capacity to generate new employment. From the 1980s on, namely, during the transition period, there was a shift from supply-side policies to more demand-side oriented ones. Once democracy arrived, a new model based on urban expansion in a context of growing liberalism was to follow till the end of the 1990s; local governments were in need of reinforcement by market mechanisms and competitiveness, looking for economic resources through planning mechanisms. The control of land by Spanish public authorities is limited and there were no compulsory powers to produce social housing. The majority of public administrations have not only neglected the production of social housing (protected housing is nowadays in private hands) but have sold to their inhabitants a huge percentage of the former public stock. The social housing stock owned by public authorities is now significantly reduced.

In addition to general trends of housing policy, the changing role of social housing over time encompasses previous aspects and strengthens its influence in Spanish neighbourhood trajectories. Taking into account that less than one per cent of the housing stock in Spain is public – and that housing policy programmes developed by the central government basically stimulate ownership – the ‘social housing’ concept lacks an adequate definition in the Spanish housing policy (Pareja-Eastaway & San Martín 1999). This fact strongly determines the urban consequences and neighbourhood trajectories of economic restructuring.

Unbalanced tenure regime – Since the 1950s, housing programmes and policies were devoted to stimulate owner-occupation and simultaneously reduce the relative importance of social housing. This resulted in a progressive and accumulative narrowing of the private rented sector (Table 1). In addition, the ways that the structural economic determinants of acquisition (the interest rate and the liberalisation of the mortgage market) have evolved have strongly influenced the preference of Spanish households for owner-occupation. One of the

Table 1. *Tenure in Spain. 1950–2001 (percentages).*

| | 1950 | 1960 | 1970 | 1981 | 1991 | 2001 |
|------------------|------|------|------|------|------|------|
| Social rent | 3 | 2 | 2 | 2 | 1 | 1 |
| Private rent | 51 | 43 | 30 | 21 | 15 | 10 |
| Rent | 54 | 45 | 32 | 23 | 16 | 11 |
| Owner-occupation | 46 | 51 | 64 | 73 | 78 | 82 |
| Others | 0 | 4 | 4 | 4 | 6 | 6 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

Source: Instituto Nacional de Estadística (INE) (1950, 1960, 1970, 1981, 1991, 2001).

consequences is the low household mobility rate when compared to other European ratios: Spanish households rarely move more than once, from the parental home to their independence, usually in the form of a couple. The resulting stronger ties with the territory and powerful social networks represent a considerable difference with other countries.

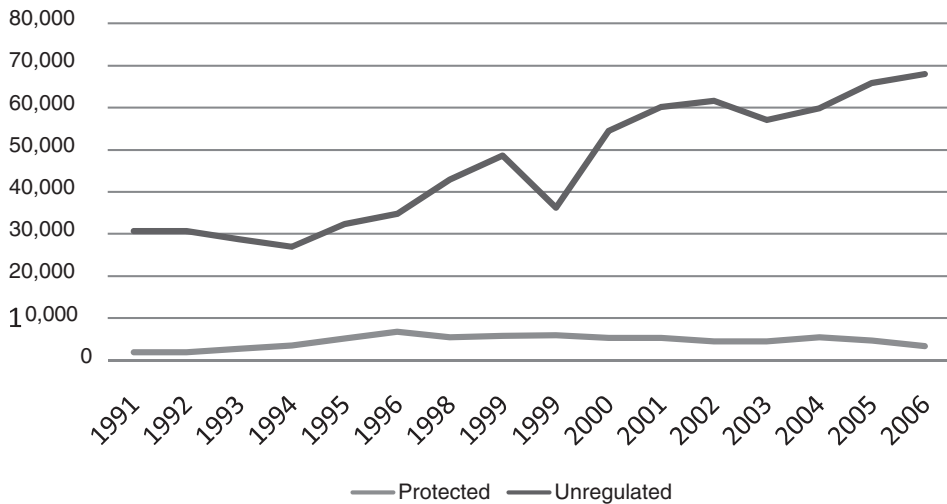
This situation, along with the lack of public housing, limits access to shelter for particular groups which have become more important with recent socio-demographic changes. This particularly applies to immigrant households and young people. Economic changes have resulted in high unemployment rates and labour market instability and these have had greatest impact on young people who consequently stay in their parents' homes longer than before and represent a hidden housing demand. In addition, the favourable economic conditions of the Spanish economy before the end of 2007 provided incentives to buy for extensive segments of the population (Rodríguez & Fellinger 2007).

Housing market collapse and affordability problems – Spain is one of the countries where housing prices have suffered a huge increase since the end of the 1990s: more than 250 per cent in ten years since 1998. Housing market developments have worsened affordability problems and certain groups have been severely affected. Since 2007, the situation has changed enormously as the price bubble has burst and the real estate market has cooled down. Certain neighbourhoods, especially newly built areas oriented to high income families, have been deeply affected by the situation and many new developments have not been

finished. A paradox is evident: although there are many households which experience difficulty in accessing housing, empty and non-finished flats oriented to other demand segments have increased.

Catalonia provides evidence of the tremendous impact that the upward trend of housing prices had on the number of dwellings finished as developers' expectations on profitability were extremely high. Figure 1 indicates that the number of completed unregulated dwellings increased significantly. At the same time, given the lack of incentives provided by the construction of regulated housing, the number of completed protected dwellings did not react to the demand arising from certain segments of the national population as well as from newcomers. The annual completion of protected housing remained below 10,000 units.

The lack of public strategies to guarantee a certain quality of life for citizens resulted in the emergence of other social alternatives. In many situations, both behaviour and institutions are certainly constrained by social relations. The importance of embeddedness (Granovetter 1985) at the neighbourhood level in Spain is essential to understand why expected problems of social exclusion caused by the failure of public programmes in providing a basic standard of living, have been partially solved (see Mugnano *et al.* 2005, for the case of urban regeneration policies). In particular, as Allen *et al.* (2004) point out, certain distinct attributes of the housing system reflect the way the society is organised in the South. The role played by the family as a complementary institution in housing provision, the importance of the division of home into two houses or the low rate of household mobility are, among others,



Source: Institut d'Estadística de Catalunya (IDESCAT) (1991–2006).

Figure 1. Finished housing in Catalonia, unregulated and protected, 1991–2006.

key issues of Spanish society which strongly determine the uniqueness of the housing system in Spain.

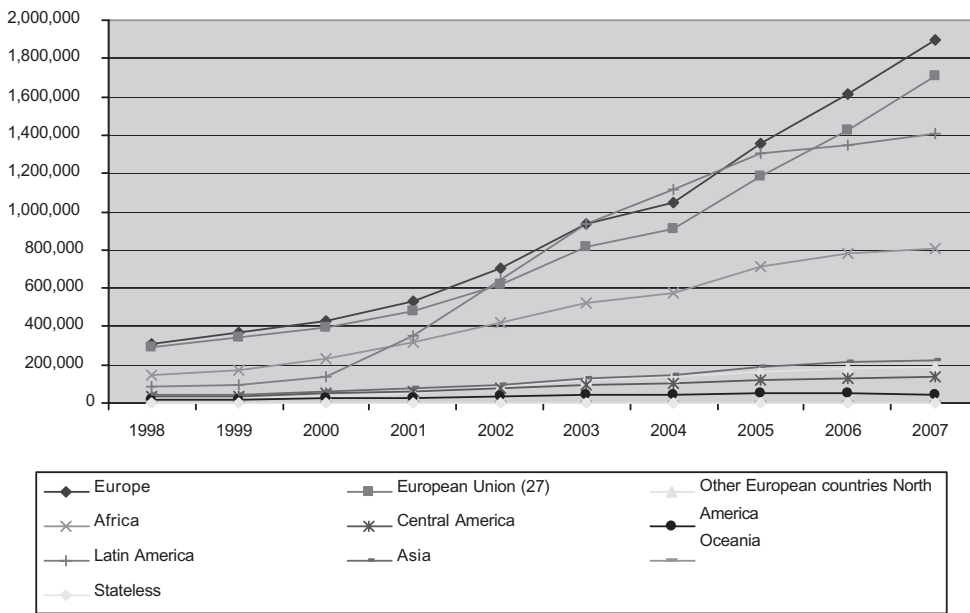
Summarising, urban developments in Spanish neighbourhoods and cities have been deeply affected by the historical past, political transition and the specific housing system. As has been mentioned before, the role played by public authorities in promoting alternatives to mediate the societal consequences of economic processes, has territorial implications. In Spain, the development of the urban periphery was the output of a public strategy to accommodate immigration from the rural areas to the cities due to the late industrialisation of the country. Later on, the privatisation of dwellings and the general stimulation of housing programmes in the private sector through the promotion of home-ownership, rather than building up a crucial mass of publicly developed dwellings in the rented sector, have created a historical lack of housing for those groups who experience specific difficulties with access.

The territorial consequences of this are straightforward: affordable housing is not concentrated in specific urban areas. Since affordability instead of urban segregation became an issue in the political agenda, the main housing policy instruments were improving financial conditions for homebuyers rather than 'bricks and mortar' subsidies. The consequences of this difference go further than simply the

different tenure structure from much of the rest of Europe. There are also no large areas of social or publicly owned housing in Spain. Consequently, public support for low-income families and groups such as recently arrived immigrants or young people has not followed the typical European approach of the 1990s (Priemus & Dieleman 2002).

RESIDENTIAL PATTERNS OF IMMIGRANTS IN SPAIN AND BARCELONA

Immigration flows in Spain are linked to the availability of low-skilled employment and in urban agglomerations like Barcelona, the majority of the production system is still based on an intensive labour use. As Murie (1998) points out: 'The spatial outcomes of global processes, and the key factors which determine where people differently affected by economic change live, crucially concern the operation of the welfare state and the housing market and their restructuring' (Murie 1998, p. 125). This statement has a particular meaning for the Spanish case where the welfare state could be defined as limited in its scope (Navarro 2000) and the housing market evidences huge differences when compared with other European housing systems. It might be expected that these differences contribute to a somewhat unique residential settlement of immigrants in Spain.



Source: INE (1998–2007).

Figure 2. Foreign population per region by nationality in Spain.

The arrival of non-European immigration to Spain during a relatively recent and short period, has contributed to the worsening of the already existing housing problem in Spain (Figure 2).

According to official data, almost 4.5 million legal immigrants lived in Spain by the end of 2007. The main reason behind the influx of population was to look for employment opportunities in order to improve their quality of life. They mainly locate in large cities such as Barcelona or Madrid, where economic development is higher than in other Spanish cities and housing prices have also reached the highest levels (Figure 3).

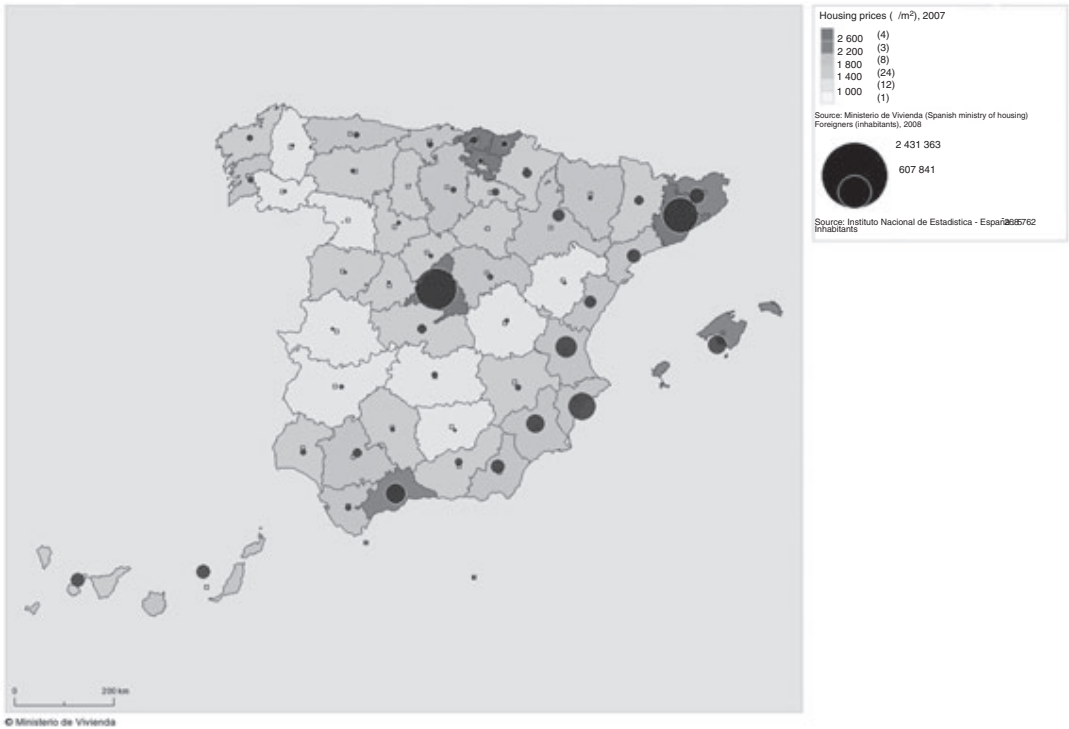
Usually, the low income level of the newcomers determines their location in the most affordable segments of the market, simultaneously creating an evident social and cultural impact at the neighbourhood level. However, the peculiarity of the housing system in Spain determines that increasing social polarisation is transformed into a different pattern of spatial segregation than in the rest of Europe (Arbaci 2007). In particular, the understanding of social housing in Spain depends on different parameters and philosophies than elsewhere (Pareja-Eastaway & San Martin 2002).

As mentioned before, immigrants locate where job opportunities are higher. Conse-

quently they concentrate in areas with the highest increase of population in the country and also with the highest increase of prices in the last decade. These areas are the Mediterranean coast, the Basque country and Madrid.

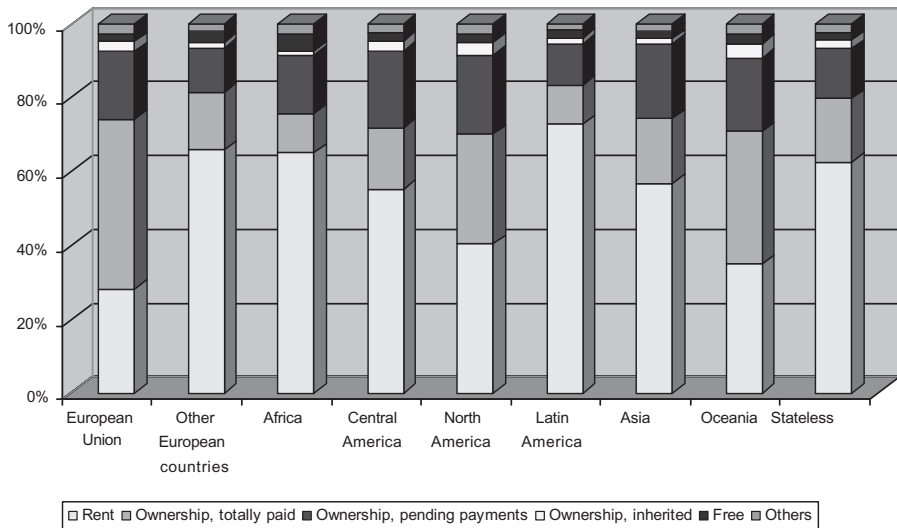
Tenure and immigration – Given the difficulties in providing data on patterns of location of immigrants, the census of 2001 is the only statistical source which allows the identification of which tenure immigrants are living in. As Figure 4 shows, in 2001 the main tenure regime was the rented sector; however, differences can be found depending on immigrants' region of origin and, consequently, on their income level. North Americans, European citizens and those leaving Oceania to live in Spain are less likely to be in rented accommodation while a higher percentage of people from Latin America and Africa are in rented dwellings.

Certainly, the National Survey on Living Conditions completed in 2007 (INE 2008) confirms that the foreign population and Spanish households live in different tenure regimes. Owner-occupation is less common among foreigners than in the Spanish population. However, more recent data – the National Immigration Survey² – shows some change



Source: Ministry of Housing (2008).

Figure 3. *Housing prices and immigrant population, 2007.*

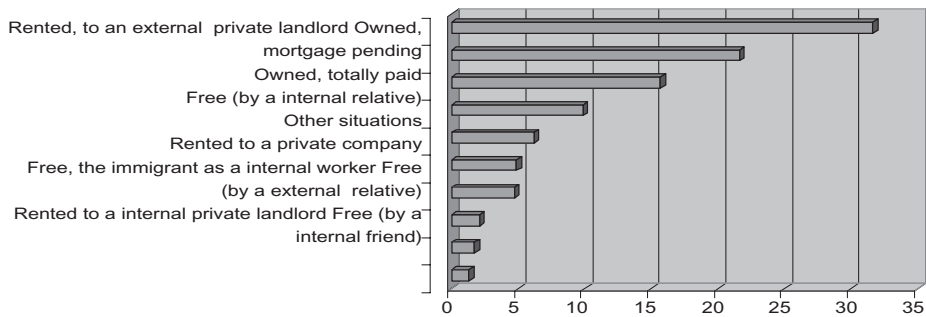


Source: INE (2001).

Figure 4. *Tenure and continent of origin, Spain (2001).*

in the pattern of tenure for immigrants (Figure 5). Certainly, the main form of tenure is not private renting (31.7%) anymore and owner-occupation (with or without a mort-

gage) represents more than 36 per cent. Many factors have contributed to this change in the tenure pattern of immigrants as well as households originally born in Spain: low interest rates



Source: INE (2007).

Notes: Internal = lives with the immigrant; external = does not live with the immigrant. Other situations = Rented by an internal (not owner), Free (by a company or institution), Owned (inherited), Rented (to a public institution), Free (by a external friend), Rented to others, rented to employer.

Figure 5. Tenure regime of immigrants. In percentages.

and high rents, a continued period of economic expansion, the scarcity and bad quality of rented dwellings and expectation of increases in the value of the acquired dwellings.

This evidence is also supported by the document 'Housing Access of the Immigrant Population', published by the Ministry of Housing in 2006. This source points out the time of arrival as a key element which strongly influences access to ownership by immigrants. As their stay gets longer, many immigrant households opt for buying rather than renting. Certainly, an additional element to take into account is the low mobility of immigrants once they have arrived in Spain. According to the above mentioned source, independent of the year of arrival, more than 50 per cent of immigrants have not moved to another dwelling.

In the near future (results provided at the beginning of 2009) a new demographic survey (*Enquesta Demogràfica*) will pay attention to the relationship between dwelling characteristics and nationality of its inhabitants for the city and neighbourhoods of Barcelona.

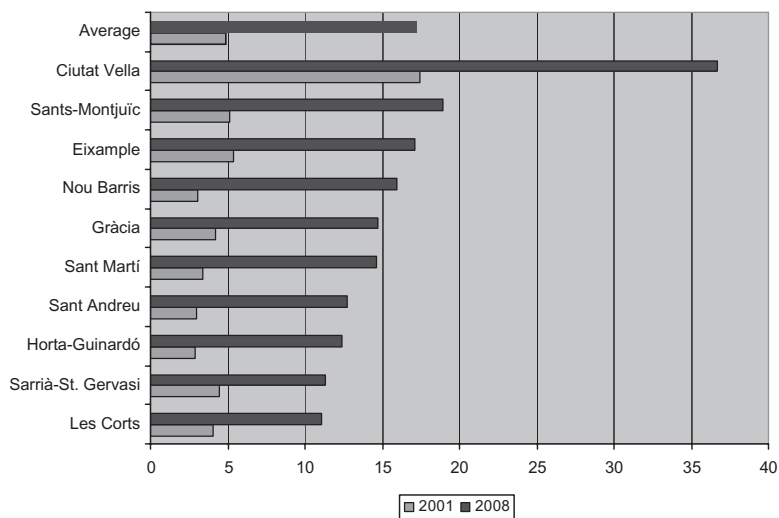
In short, immigrants follow a similar pattern to Spanish born households in terms of housing. The increasing importance of home-ownership as a possible form of tenure in the case of immigrants is also applicable to low income demand segments as a whole. Given the scarcity of social housing alternatives and the bad quality of private rented dwellings together with macroeconomic conditions (especially low interest rates) during recent years, owner-occupation has been a possible option and this

has had enormous consequences in terms of spatial location of immigrants as it will be explored in the next section.

Spatial location of immigrants: the case of Barcelona – Before going indepth with the analysis, the following results are limited to the availability of statistical data. Apart from the 2001 census, information at the municipal level (*Padró Municipal*) is restricted, especially in terms of obtaining information on housing and its inhabitants. This paper uses as a proxy, information on the housing market by district and infers conclusions while combining this with information on the foreign population. Some qualitative information is also drawn from the research 'Substandard housing in Catalunya' (*Infrahabitatge a Catalunya*), conducted by *Equip Earha* and completed by the end of 2006.³

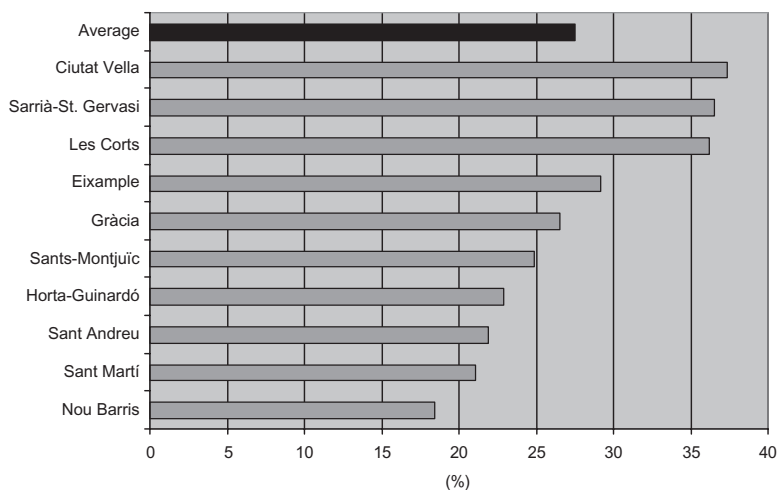
On 1 January 2008, 1,626,653 people lived in Barcelona, 17.3 per cent were immigrants. There are striking differences between districts. Ciutat Vella, the old district, reveals the highest percentage, more than 35 per cent and consequently, a hardly comparable situation with the other districts. Four districts are considerably under the average (Sant Andreu, Horta-Guinardó- Sarrià- Sant Gervasi and Les Corts) while the rest shows a percentage close to the average (see Figure 6).

In terms of growth, as evidenced in Figure 7 and for the period 2001–2008, there are four districts which experienced a considerably higher growth rate of foreigners than the



Source: INE (2001-08).

Figure 6. *Foreigners over the total amount of population. 2001-08.*

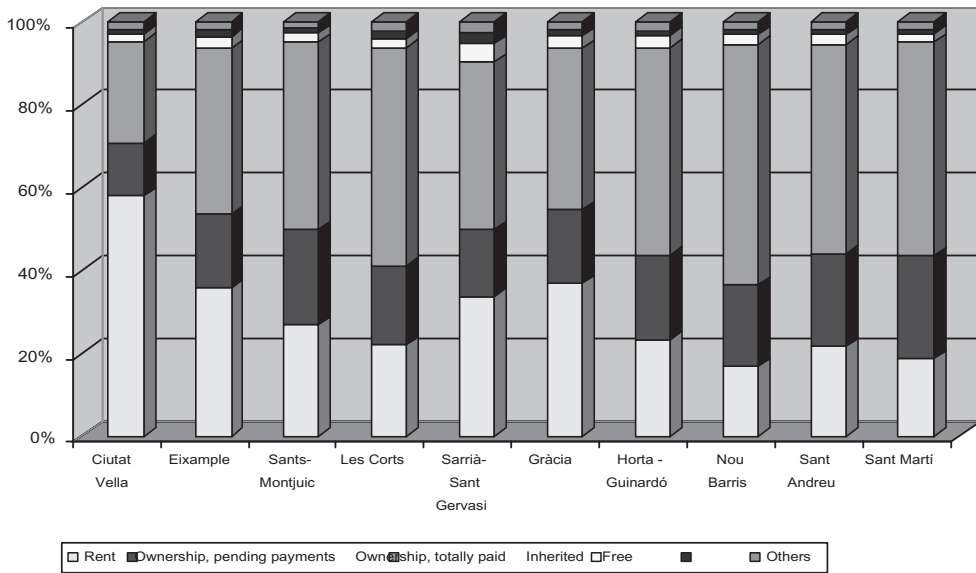


Source: INE (2001-08).

Figure 7. *Growth rate of foreigners per district. 2001-08.*

average: Ciutat Vella, Eixample, Les Corts and Sarrià-Sant Gervasi. Districts which show a rate with is the same as the average are Gràcia and Sants-Montjuïc. Finally, those districts which evidence a lower percentage of growth are Sant Martí, Sant Andreu, Nou Barris and Horta Guinardó.

The different growth rates of foreigners in the districts are probably explained by different factors. The settlement of immigrants in Eixample or Sarrià-Sant Gervasi, areas where low income families can hardly afford housing, is mainly due to the availability of housekeeping or elderly care jobs in these areas. Immi-



Source: INE (2001).

Figure 8. Tenure per district.

grants usually live where they work. This is not the case of Ciutat Vella or Gràcia, where the settlement patterns are more influenced by the availability of housing market alternatives and by established, welcoming social networks. Certain neighbourhoods of Ciutat Vella (i.e. Raval) and also singular areas of the periphery (i.e. Ciutat Meridiana) and specific areas, even streets, of Barcelona have strengthened their role as the gateway to the city for newcomers. Because of the relative availability of affordable housing (when compared with other parts of the city) these areas offer the possibility to start a housing career, especially in the rented sector. They also, offer the social support (child care, social relations) that recent arrivals urgently need.

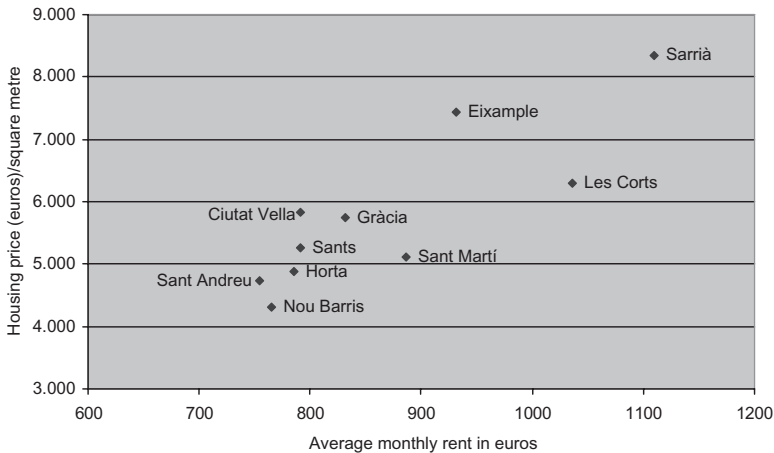
An interesting feature is the trend over the years. Two different periods can be distinguished: from the end of the 1990s until 2006, arrivals increased progressively but since then the population of foreigners has stabilised or even decreased (although the decrease in 2007 might be related to legal restrictions and regularisations).

In Barcelona, more than 66 per cent of the dwellings are owner-occupied. The rented market is larger than the Spanish average for this sector and represents around 28 per cent of the dwellings. According to the 2001 census, the distribution of tenure in the city of Barcelona did

not follow a similar pattern in all districts. Among the districts, Ciutat Vella evidenced the highest participation of the rented sector (almost 60%) followed by Gràcia and Sarrià-Sant Gervasi (Figure 8). The availability of rented dwellings seems to be a strong reason to explain the position of Ciutat Vella as the main destination for newcomers. However, the situation is certainly different for other districts.

As owner-occupation is the main form of tenure in the whole city of Barcelona, the booming real estate market in Spain since the beginning of the 1990s not only in terms of the number of new dwellings but also the huge rise in housing prices have also affected the possibilities for newcomers in this form of tenure. However, as was already mentioned above, recent Spanish data shows that foreign immigrants also opt for owner-occupation as the main form of tenure.

Given the non-homogeneous distribution of foreign immigrants in the city, explanations can be found mainly in the characteristics of the housing system that initially determine their spatial location. It should be stressed that possibilities for growth in the city of Barcelona (new housing starts) are quite limited and hardly react to changes in demand. The only possibility for growth was in the waterside areas in the district of Sant Martí (around 12,000 new dwellings for the period 2000–07). The devel-



Source: Departament d'Estadística, Ajuntament de Barcelona (2006).

Figure 9. *Housing prices and rents.*

opments which have taken place here since 2000 have mainly been oriented to high income families willing to pay high prices for a nice location. Other districts evidence a relative stagnation of new construction: Ciutat Vella, Les Corts, Gràcia and Sarrià-Sant Gervasi account for around 2,000 new dwellings each for the period 2000–07. There appears to be no relationship between the pressure exerted by newcomers, for instance in Ciutat Vella, and housing supply response.

Two additional variables explain the location patterns of immigrants in the districts of Barcelona: housing prices and rents. As it can be seen in Figure 9, a cluster of districts with both low rents and low prices indicates the potential destination for immigration. Year 2006 has been selected as it is the beginning of the second period of immigration arrival, more stable than in the previous years, and before the stagnation and collapse of the housing market in 2007.

Considering the information about the housing market situation and immigrants' pattern of settlement, four types of district can be distinguished:

1. *Exclusive districts.* Districts with higher rents and prices with low percentage of immigrants (Sarrià and Les Corts): This is an

expected situation as housing affordability prevents immigrants locating there. The supply of available dwellings is quite low.

2. *Labour districts.* Districts with higher rents and prices with high percentage of immigrants (Eixample): This peculiar case mainly corresponds to the situation of immigrants living with native households. In this case, the housing market does not act as a key element in the immigration settlement.
3. *Welcoming districts.* Districts with lower rents and prices with high percentage of immigrants (Ciutat Vella, Sants-Montjuic, Sant Martí, and Nou Barris): Rents and housing prices are key determinants of settlement but also, in the case of Sant Martí, the increasing supply of dwellings. However, foreigners in this particular district come basically from the rest of the European Union and belong to the qualified immigrant segment, without affordability problems.
4. *Opportunity districts.* Districts with lower rents and prices with percentage of immigrants below average (Horta-Guinardó, Sant Andreu, Gràcia): These districts although affordable show a low percentage of available dwellings. This situation might change in the future according to future developments which are taking place as it is the case of Sant Andreu.

It must be taken into account that this classification may vary over time. Certainly, many districts will remain as welcoming districts, especially at the time of arrival. The changing household situation in terms of labour and income will probably see these households locate from the district to other parts of the city.

In addition, and following the theories supporting the existence of fragmented segregation, the danger of exclusion emerges in areas also affected by gentrification (Terrones 2007). This is the case, for instance, of Ciutat Vella. This is a reflection of the complex dynamics which affect spatial segregation in Barcelona. Certainly, apart from settlement issues in the city, other phenomena are to be found in settlement patterns in Barcelona, especially in the cases where arrival has been relatively recent (Equip Earha 2007): overcrowded and sub-standard dwellings, sub-letting and mobbing experiences, among others. Recent information on homelessness, which has more than doubled in 2008, identifies the principal group affected as foreign men living alone.

DISCUSSION AND CONCLUSION

As can be seen dilemmas in the current policy and research agenda, take on distinctive forms in Spain and reflect the fact that the context and trajectories of its neighbourhoods do not follow the same pattern as elsewhere in Europe. The different trajectories followed by housing systems in Europe identify tenure as playing a fundamental role but the current position and nature of social housing are directly defined by past housing and urban policies.

The social implications of the increasing importance of owner-occupation have been explored through an analysis of spatial segregation. Low rates of household mobility have both positive and negative aspects. On the one hand, the absolute dominance of owner-occupation acts as an important territorial anchor which, among other variables, generates difficulties in the adaptation to labour market instability. Certainly, the mechanisms to adapt to the new contingencies represented by globalisation are affected by an owner-occupied dominated market. On the other hand, the possibilities for establishing deeper links between the different local actors that participate in everyday life in

the neighbourhood are higher. In Spain, there is a relatively high social cohesion structure compared with other European societies (Pareja-Eastaway & San Martin 2002)

The recent evolution of the housing system in Spain (Rodríguez 2007) has been highly influenced by the huge increase in prices during the 1990s and the relatively sudden cessation of housing transactions and new starts. This has created concerns over the huge mismatch between the rate of housing starts and household formation, a considerable disequilibrium between demand needs and supply characteristics and a tremendous lack of affordable housing for certain groups including immigrants and young people. Difficulties in housing access are certainly one of the main problems in Spain. The territorial implication of this problem has generated a fragmented segregation (Bayona 2006).

Social inequality (mainly caused by economic restructuring associated with globalisation) does not necessarily mean spatial segregation. Certainly, Spain is a country where, although social inequality is high, spatial segregation has proved to be lower than in other European countries. Social distance is not necessarily linked to spatial distance (Bayona 2006). As Arbaci (2007) points out, in many southern cities, urban segregation is not directly translated into social exclusion in the same way that a non-divided city does not translate into social integration. The reasons behind this situation include the facts highlighted above – the peculiarities of a housing system dominated by owner-occupation with a scarce public production of social housing; and the social embeddedness of actors due to the social stability in the neighbourhood. A lower rate of mobility than in other countries acts as a complementary alternative to formal mechanisms of integration.

Nevertheless immigration to Spain highlights certain peculiarities and considerable differences when compared with other European cities. Certainly, the possibilities offered by the housing market frame immigrants' choices of the area to live in. Spain does not have large areas where social housing is predominant. Although this might create problems of affordability, especially in the initial phases after their arrival, immigrants are forced to look for other shelter alternatives within the existing housing

system. This means that given the scarcity of rented dwellings, they go, when their labour situation allows them to, for the option of homeownership. The well-known peripheral areas of exclusion mainly dominated by the existence of public housing in other European cities such as Paris or Amsterdam are not the main issue in Spain.

The case of Barcelona offers some insights into the spatial location of immigrants. The dynamics which affect their settlement patterns are complex but highly determined by housing market opportunities. Non-European immigration follows a similar pattern to low income households born in the city. They are not evenly distributed over the city, and are over-represented in districts with lower rents and prices. A key element to take into account for the future is the dynamics of the process of settlement, especially in a city such as Barcelona where the influx of arrivals started only ten years ago. Certainly, some specific areas in neighbourhoods distinguished by poor quality dwellings and relatively affordable houses will be the main destination for newcomers. Once the immigrant household has spent some time in the city and some economic progress has been achieved, a step forward in its housing career is expected. This step forward might involve locating in a better area or simply a better dwelling in the city and sometimes might involve a move away from the neighbourhood where they started to other areas where housing supply is larger and of better quality.

The implication of this is that patterns of segregation emerging in Spanish cities are largely unaffected by the presence of social housing and relate more to quality and price variations within the private sector and divisions between private renting (which tends to include more of the poorer quality housing) and home ownership. In this it may appear that Spain has a market that is more comparable with the USA or other countries with small social rented sectors and that pattern of segregation would follow the pattern in these countries rather than elsewhere in Europe. However there is a highly significant difference associated with low mobility and attachment to place that means that people in Spain are more likely to remain in the same dwelling and location even if their economic circumstances change

than would apply in countries with higher rates of mobility and trading up in the market. While there is stratification within the market and more exclusive zones this is moderated by lower mobility and people invest in their homes and existing locations rather than move to a more prestigious neighbourhood. The outcome is that segregation in Spanish cities is less marked than in the United States or market based systems but not, as in some other European cases because of the past or present role of social housing. Rather it reflects social and cultural differences, housing policy traditions, the significance of family and community and their embeddedness within the operation of the housing market.

Notes

1. The effective area must not exceed 90 sq metres; the materials used to build the house have to meet various quality standards; the price of the house must be below a threshold price fixed by the government; the selling price is generally lower than the market price and varies, depending on the area where the house is located; the development of RH is undertaken either by private or public enterprise.
2. This was performed for the first time in 2007 and with a sample of 15,500 immigrants not born in Spain.
3. This report completed in 2007 is unpublished.

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